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## **Choosing the Right Medicare Drug Coverage for You**

Lt. Governor André Bauer

Last month I wrote about the new benefits available for South Carolinians under the Medicare Modernization Act, the extra help for out-of-pocket expenses available for people with limited incomes and resources, and the important role that our State Office on Aging's network of I-CARE insurance counselors is playing in educating the public about their choices and options. I am pleased to report that since then, thousands of people in South Carolina have received one-on-one help filling out their applications for that extra assistance, either over the telephone or at one of the numerous walk-in clinics we have been holding across the state with staff from the Social Security Administration. I'd also like to take this opportunity to offer my sincere thanks to everyone who has assisted in that effort – all of the regional and county organizations involved in our Aging Network, senior centers, churches and other community groups.

Thanks to all of your efforts and cooperation, we're doing our very best to make sure that everyone in South Carolina who may be eligible for extra assistance to pay their Medicare Part D insurance costs has gotten an application in to Social Security. I would urge anyone who thinks they might be eligible and has not yet filled out an application (SSA Form 1020, *Application for Help with Medicare Prescription Drug Plan Costs*) to call the toll-free number to the Lt. Governor's Office on Aging in Columbia for more information 1-800-868-9095. You can also contact the Social Security Administration directly at 1-800-772-1213) or visit their web site at [www.ssa.gov](http://www.ssa.gov).

In October, the insurance companies that will be administering the Medicare Part D benefit will begin advertising their plans, and enrollment will begin for all Medicare beneficiaries on November 15. Knowing which of the following categories that you or your family members fall into will help you understand your options under the different plans available.

South Carolinians who are already receiving help with their prescriptions through our state Medicaid program will be automatically enrolled in a Medicare Part D drug coverage plan. This includes Medicaid beneficiaries in nursing homes, and people who get Medicaid under a Home or Community-based waiver. Medicare will notify these individuals of the change in their prescription coverage by mail.

Individuals who currently receive help with their prescriptions through the state SilverxCard program will NOT be automatically enrolled in a Medicare Part D plan. They will need to choose a plan and apply in November to continue having prescription coverage. People who have other sources of prescription coverage such as an employer-sponsored retirement plan will want to compare that coverage with what is available under Part D before deciding whether to enroll. Medicare beneficiaries who currently have no prescription drug coverage of any kind should strongly consider enrolling in November. Even if you don't currently take any medications, planning for the future is an important consideration in this decision. If you are currently eligible and choose to wait and enroll later, your monthly premiums will be higher.

South Carolina, like other states, will have two basic types of plans available. There will be "stand alone" plans, which will offer prescription coverage only. People enrolling in these plans will continue to get their regular medical coverage for doctor and hospital visits through the traditional Medicare Part A and Part B. Some companies will also offer Medicare "Advantage" plans that provide Part A and B coverage through Health Maintenance Organizations (HMOs) or Preferred Provider Organizations (PPOs) and will include prescription coverage as a part of that package.

There are several important questions to ask when choosing a benefit plan:

1. **Are there alternatives to Medicare for prescription drug coverage?** The answer is yes. Prescription coverage under Medicare is voluntary. If your prescription drugs are already covered by a private insurance plan such as a TRICARE policy, your employer retirement benefit, or the state retirees health plan, you will need to decide whether the coverage offered by that plan fits your needs better than the new Medicare coverage. Look for a letter in the mail from your plan's administrator outlining the differences in coverage. A current plan that offers "creditable" coverage is one that offers at least the same level of coverage as Part D. A plan that's coverage is "non-creditable" does not.

This distinction is very important. While you may be happy with your current plan now, if you stay with a plan that is deemed "non-creditable" but then later decide to change to Medicare, you will end up paying higher premiums. The same is true if you do not enroll in any plan. Some folks eligible for Medicare may be in good health now and not taking any prescription medications. They may be tempted to forgo the coverage for now, but that could be a costly gamble. If, later on, they do become ill and need prescription coverage, the monthly premiums will be much higher than if they had enrolled when they were first eligible.

2. **Is a Medicare "Advantage Plan" right for me?** "Advantage Plans" are a relatively new type of coverage option for Medicare beneficiaries. Essentially, they are managed-care or preferred-provider-type plans administered by private insurance companies that are offered as an alternative to traditional Medicare. Many insurance companies have been aggressively marketing these plans to seniors over the past few months. Consider the premium and out-of-pocket costs of the prescription drug coverage available through these plans, as well as the rules or limitations on doctor and hospital visits very carefully before signing up for one. In some cases - particularly for people eligible for the limited income subsidy - individuals may find that traditional Medicare coverage with the new Part D benefit makes more sense for them.
3. **What should I do if I am currently getting help with prescription drug costs through SilverxCard?** According to the South Carolina Department of Health and Human Services, the state agency that administers SILVERxCARD, you can expect some changes next year. Medicare will begin covering prescription drugs for Medicare-eligible seniors starting Jan 1, 2006. At that time the SILVERxCARD benefit will change. It will change to a new program to help with your Medicare prescription drug benefit. The new SILVERxCARD benefit that begins January 1, 2006 is not complete yet. State leaders are planning to take the state money from SILVERxCARD and use it to help some of you by filling in coverage that Medicare does not offer. If you have questions about SILVERxCARD or its changes, you can call (803) 898-2876, or call toll free 1-800-834-2680. If you have questions about the new Medicare prescription drug coverage, you should call Medicare at 1-800-633-4227 or visit [www.medicare.gov](http://www.medicare.gov). You may also contact the state's I-CARE program at 1-800-868-9095.

Confused? Don't worry, you're not alone. The new Medicare drug programs all offer different and exciting benefits that will be of tremendous help to seniors, and the array of new choices can be bewildering. But all of our state agencies involved in making this transition have done a tremendous job in planning for this day, and assistance with these choices is readily available through my office's I-CARE insurance counseling network. Please call them at the toll-free number listed at the beginning of this column if you need help.

*Lt. Governor André Bauer was chosen by the South Carolina Legislature to lead the state's Aging Office in July of 2004*

**Timeline for Medicare Prescription Benefits events:**

**May 27, 2005:** The Social Security Administration began sending out letters to individuals who may be eligible for extra help to pay for premiums and out of pocket expenses. Those letters will continue to be sent out through mid-August, 2005.

**July 1, 2005:** The Social Security Administration began making eligibility determinations on the applications it has received. (If you have not yet received an application and think you might be eligible, call 1-800-MEDICARE.)

**September 15, 2005:** Medigap providers, employers, unions, and other health plans that are currently providing prescription coverage will begin sending notices to their employees, retirees and dependents to let them know if their coverage is "creditable."

**October 1, 2005:** Insurance companies can begin marketing and advertising their plans – both stand alone prescription coverage and "Advantage" plans – to the public. People who currently have both Medicaid and Medicare coverage will receive notification that they have been automatically enrolled in a Part D plan. Also, the new *Medicare and You* handbook will be mailed to all Medicare beneficiaries during the month of October.

**November 15, 2005:** The enrollment period for 2006 will begin. All Medicare beneficiaries who want the new coverage should enroll in the plan of their choice.

**December 31, 2005:** The last day of coverage for dual-eligible Medicare/Medicaid and SilverxCard beneficiaries. The last day that Medigap plans with prescription coverage can be issued.

**January 1, 2006:** Prescription drug coverage under Medicare Part D will begin.